

ORIGINAL



0000136348



RECEIVED

2012 MAY -4 P 3: 52

May 4, 2012

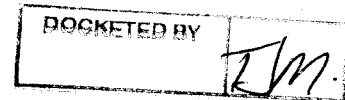
Gary Pierce, Chairman  
Commissioner Bob Stump  
Commissioner Brenda Burns  
Commissioner Paul Newman  
Commissioner Sandra D. Kennedy  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

CORP COMMISSION  
DOCKET CONTROL

Arizona Corporation Commission

DOCKETED

MAY 04 2012



Re: ***Tucson Electric Power Company's Application for Approval of its 2011-2012 Energy Efficiency Implementation Plan, E-01933A-11-0055***

Dear Chairman Pierce and Commissioners,

SolarCity would like to encourage the Commission to address Tucson Electric Power Company's ("TEP" or "the Company") Demand Side Management Plan through the current open docket instead of through the their rate case, which could potentially take over a year. Further delay in the resolution of TEP's Energy Efficiency Plan will cause irreparable harm to Southern Arizona's energy efficiency industry; fuel great dissatisfaction among customers interested in pursuing energy efficiency measures for their homes and businesses; and lead to significant missed opportunities for customers wanting to reduce their energy bills and lower their overall energy costs.

SolarCity is a clean energy services provider that has been operating in Arizona since 2009. We offer both solar installation and energy efficiency services to homeowners throughout the state. Through our services, we make it easy for customers to switch to cleaner energy by taking a comprehensive look at our customers' energy usage and identifying opportunities for improvement.

As you are aware, TEP's current Demand Side Management Surcharge (DSMS) is insufficient to recover the costs of the Company's energy efficiency programs because it was last reset in June of 2010, before new programs and new program budgets were approved by the Commission. Because the DSMS was never reset to reflect these Commission-approved changes, TEP has found itself in a position where it can no longer pay for existing energy efficiency programs and services for TEP customers. Consequently, existing programs have been scaled back or, in some cases, entirely closed-down.

May 4, 2012

Page 2 of 2

Since TEP's programs have been shut down or scaled back, the Company has had to turn away a number of TEP ratepayers interested in pursuing energy efficiency measures. The local industry has been negatively impacted as well due to decreased levels of business and increased uncertainty.

Because TEP will not be able to reinstate its energy efficiency programs until the Commission takes action on this matter, we encourage the Commission to implement a solution to the DSMS shortfall as soon as possible, preferably through the current open docket. SolarCity further encourages the Commission to schedule evidentiary hearings that will lead to the identification and implementation of a resolution to the DSMS shortfall. Without immediate resolution, missed customer opportunities will only continue. To include this issue in the Company's rate case would only result in significant and incredibly detrimental delays for TEP customers and the contractors that serve them.

Yours Sincerely,

Meghan Nutting

Deputy Director of Government Affairs

SolarCity